Can. Pam H
Hall, John S.

SPEECH

DELIVERED BY

MR. JOHN S. HALL

(EX-TREASURER)

BEFORE THE

LEGISLATIVE ASSEMBLY

OF THE

PROVINCE OF QUEBEC.

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CANADA.

ON 4th AND 5th DECEMBER 1894

ON THE LOAN OF 27,632,647 FRANCS

(3% BONDS AT 77 FOR 60 YEARS.)

1894

DECEMBER 1894.

QUEBEC LEGISLATURE.

The following contains the speech delivered before the Legislature on the 4th and 5th December 1894, by the Hon. John S. Hall, ex-Treasurer of the Province, on the motion of Mr. Cooke, Member for Drummond against the Loan of 27,632,647.00 francs.

It was in connection with this loan that Mr. Hall resigned Treasurership. His letter of resignation, the Hon. Mr. Taillon's answer, Mr. Hall's reply and Hon. Mr. Taillon's answer were all laid before the House by Hon. Mr. Taillon without any comment, leaving the public and the members of the House to read them and form their own conclusion. The discussion on Mr. Cook's motion brought up the question of the loan upon its merits.

On the 15th July 1891, the Hon. Joseph Shehyn effected a loan of 20,000,000 francs for two years through the Credit Lyonnais and La Banque de Paris et des Pays Bas of Paris, issuing 500 francs Bonds to these institutions for 480 fr. 25 centimes per Bond, the Province paying in addition the stamps and printing of the Bonds and the expenses. The Bonds bore four per cent. interest.

In July 1893 when this loan fell due there was a panic in the money market and a financial scare pervaded investors, and the loan was renewed by the Hon. Mr. Hall. The Province issued two year, four per cent. Bonds of 500 francs each, through the same Institutions to the amount of 21,277,000 francs the Province receiving 490 francs for each Bond. In addition the Province paid the cost of printing the bonds and stamps.

The Government of Quebec, exercising its option, has entered into negotiations, which have been subsequently embodied in a contract to pay off, on the 1st January 1895, this loan of 21,277,000 francs, by issuing 60 year 3 per cent Bonds at 77, to the same Institutions or issuing a total of 27,632,467 francs of Bonds, the proceeds of which at 77 would realize just enough to pay off the 21,277,000 francs.

To Mr. Cook's motion an amendment was offered by Mr. Desjardins of Kamouraska and then a sub-amendment by Mr. Tellier, of Joliette.

All these read as follows :—

Mr. Cooke moved :—

"That this House, having taken communication of the papers and "correspondence brought down between the Government *Le Crédit* "*Lyonnais* and *La Banque de Paris et des Pays-Bas* respecting the con- "tracting of a loan of 27,632,000 francs through the issue of deben- "tures to be dated the day of December next, bearing "three per cent. interest, at a price of seventy-seven nett, such loan "redeemable in sixty years or at any time after ten years from the "date of the debentures on giving six months notice, to redeem the "loan of 21,227,000 francs contracted with the above institutions on "the 15th July, 1893, is of opinion ;

1. "That the Government has not acted in the best interest of the "Province or made the best arrangement possible :

2. "That the maturing indebtedness of the Province could have "been liquidated without resorting to a permanent loan :

3. "That it was not to the advantage and interest of the Province "to make an issue of three per cent securities at a price involving so "heavy a discount as 77 ;

4. "That even if a permanent loan should have been resorted to "it should have been offered by way of competition or tender so as "to obtain the best possible price and advantage for the Province."

Mr. Desjardins moved in amendment ;

That all the words after "opinion" in the motion be struck out and replaced by the following :—

"That it is better to wait until the contract for the loan is signed "before pronouncing on this transaction."

Mr. Tellier moved in sub-amendment ;

That all the words after and including the words "it is better to wait" in the amendment be struck out and replaced by the following :—

"That the Government could not do otherwise than have re- course to a loan to redeem that of 21,277,000 francs contracted with "the said institutions on the 15th July 1893, which loan was but "a continuation of that of 1894."

"That, as to the question whether the Government should have "called for tenders, as to the kind of bonds, the price obtained for the "three per cent bonds and generally as to the manner of conducting "the negotiation as well as the conditions of the loan, this House is "of opinion that the Government has acted in the interest of the "Province and has made as advantageous an arrangement as cir- "cumstances permitted."

Mr. Cooke commenced the discussion in favor of the motion and Hon. Mr. Casgrain, Attorney General followed against. Then the Hon. Mr. Taillon spoke followed by the Hon. Mr. Hall.

Mr. Hall spoke as follows ;—

On rising to make some remarks in support of the motion, I am free to confess that I find myself in an unpleasant position of having to deviate from colleagues and persons with whom I have worked for a length of time. The financial position of the Province, however, is one of such importance, and I, as treasurer, being looked to by the public to direct those affairs, it became necessary for me in a question of this kind to decline to accept any responsibility in connection with the transaction, which I thought not according to a policy and plan capable of working out our financial affairs. It led to my resignation, and the correspondence in connection with this resignation has already been laid before the House, and the Members and the public have had an opportunity to read it over, therefore I pass over any discussion of it.

No matter what may have passed, it is quite evident that as regards the public and the party, I must be considered as having been Treasurer and so primarily liable and certainly officially responsible for the Loan, and the financial policy of the Gov. nment, and this I cannot assume.

I will therefore come to the merits of the Loan and the question as laid down in the terms of the resolution. I might however be permitted to say a few words in general about the financial position of the Province before coming to the question specifically dealt with by the Motion.

I do this to show (i) the position in which I found our finances (ii) the policy to be adopted and adopted until my leaving office to put matters right (iii) to shew what has been the result (iv) to shew after nearly three years of administration what ought to have been expected of us.

I have also had the opportunity of hearing the speeches of the Attorney General and the Premier and will endeavour to take up the matters in the same order.

Coming to office in December 1891, neither my colleagues nor myself imagined the financial situation was so critical.

Even if I say so myself, it is true the members of the Administration set to work to meet the situation and fulfil the mandate given to us by the electors of the 8th March 1892.

I dont think it can be denied for one moment that the great issue presented to the electors at that time was that of our financial position, and the promise by us to put it right.

The Province was awakened to the fact that an enormous expenditure had been going on for years, that our debt was being increased to an extent to cause alarm and that public confidence in our credit had been shaken.

However onerous the obligation was or was likely to be, we had assumed it, and the public rightly expected that the existing state of affairs must cease.

There was no doubt that large deficits existed each year, which we undertook to put an end to, and there existed a large debt, funded and floating, and a series of liabilities which we had to define, limit, and reduce to the utmost extent.

We met the House on the 20th April 1892, and to it we had to submit statements that, in the total receipts and expenditure, leaving out the amounts received from temporary loans and the amount paid for railway subsidies, we were going behind, roughly, $1,500,000.00 a year and would be in the same position for the year ending 30th June 1892.

These deficits, as the Public Accounts will shew, were as follows, and I give also the deficit for 1892–93, the first year of our Administration, to shew the result, and I will speak of it later on :—

1889–90.	Deficit.	1,380,569.18
1890–91.	Deficit.	1,444,236.09
1891–92.	Deficit.	1,742,651,02
1892–93.	Deficit.	24,828,00

Our Funded Debt on that date, including the loan of 20,000,000 francs made on 15th July 1891, amounted to $25,175,320.01, less $9,994,000.00 appropriated for Sinking Funds. Our floating debt and liabilities irrespective of claims and other matters not necessary for present discussion as they would be (and as they turned out to be) on 30th June 1892, were as follows:—

Floating debt, 30th June, 1892.

Temporary Loans	1,550,000.00
Trust Deposits.	263,905.00
Railway Guarantee Deposits.	1,742,038.43
Railway subsidies &c, under terms of the various Statutes.	5,621,789.40
	9,177,732.83

Our credit at the same time was in a critical condition.

In London, the market was practically closed to us. The state of our finances and the legislation about the forced conversion of our debt had created such a feeling against the Province that any financial operation was out of consideration.

In Paris the feeling was as strong, though Mr. Shehyn had been able in July 1891 to make a two year loan at a cost, including expenses, of over six per cent interest per annum.

Our local institutions had so little confidence, that in what temporary loans were outstanding in July 1891, when the loan in Paris was effected to partly pay them off, they had been charging six per cent. interest.

The administration set itself to work to bring about an equilibrium of this $1,500,000.00. The expenditure had to be cut down and the revenue properly collected. In addition to this, we had to impose taxation, no matter how unpopular it might be, and the result was that for our first full year ending 30th June 1893, our deficit was only $24,828.00 or, practically speaking, an equilibrium.

The people of the Province, with the exception of some in the City of Montreal, on account of our affairs, submitted to extra taxation, relying on our promises and having confidence in the mandate entrusted to us. They also relied on our utterances that the taxation if not a large part of it was temporary and imposed to carry us over until our position was defined.

Now, Sir, in June 1892, the Province was in a critical condition. We had to provide for $1,500,000.00 of liabilities that were in sight for the 30th June, and about half of this, $750,000.00 was wanted for interest on our bonds in England for that date. In addition, provision had to be made for our Railway subsidies during the year 1892–93 and for the future. If we could not get help, default was staring us in the face.

However, our local banks, after I explained the situation to them, and having confidence in the Administration, advanced the money and, I may say, continued to do so until March 1894, when we floated the the loan of $3,000,000.00 and paid them off.

In the meantime, and during this interval, I had financed and borrowed from the local institutions, about three million dollars, and I wish to say here, on behalf of the Province, that we are much indebted for the loyal and considerate manner in which these Banks came to our assistance, and I feel grateful for the consideration and courtesy extended to me personally.

But, Mr. Speaker, business is business, and these institutions naturally asked how these loans from them were to be paid off, and I replied by no doubt a permanent loan and they asked that they should have something in the nature of a call upon our Bonds. This of course I could not consent to, but I did undertake that when a question of issuing Bonds came up, I would give them a preference but no advantage. I mention this as a matter of history, and to explain my position later on.

In December 1892, I had occasion to visit England on professional business, but took the opportunity, while there, to speak of the Province.

The Attorney General was with me on many occasions and he no doubt will corroborate me that there was more than a feeling of distrust against the Province.

In May I went to Europe again and still found the constant recurring deficits of the Province were called to my attention. It was useless to discuss with any of these people that in analyzing the Public Accounts the deficit would appear to be owing to the extraordinary or special expenditure. It was pointed out that from the statements published at the end of the Public Accounts, these deficits had been recurring yearly for many years, and there was nothing extraordinary about them. It was further pointed out, without any answer being possible, that such expenditure had to be met and if not out of yearly

revenue, it had to be constantly added to, and increased, our debt, and the interest for this had, anyway, to be providedfor.

Our Funded Debt in proportion to our population as one of the Provinces of the Dominion was considered very large and our floating debt and liabilities to be too heavy for any successful and creditable financial scheme.

On my return from Europe in 1893, I laid the whole matter of our affairs before my colleagues, and especially the Premier, and we readily came to the conclusion that the deficits must disappear, that we should do everything in our power to reduce our Public Debt, to consider its conversion and consolidation, to define and restrict our Floating Debt Railway Subsidies and liabilities and, if possible, avoid going onto the markets for new money.

We had at this time as will be seen later on to consider the probable payment by the C.P.R. of the amount due by that Co'y.

As to borrowing or reducing and converting our Public Debt it was determined we should legislate to deal with and utilize the assets of the Province. We introduced legislation at last session permitting this, and followed it up by getting legislation at Ottawa, permitting the principal of the Grant, known as the Railway Grant, amounting to $2,394,000 to be paid to the Province should the Province so desire it.

We also adopted legislation finally determining the liabilities respecting our railway subsidies, and as a consequence of all this.

The floating debt on the 30th June 1894, would appear as follows :

Temporary Loans	$ 500,000.00
Trust Funds and Deposits	267,002.00
Railway Guarantee Deposits	1,251,515.79
Railway Subsidies (say)	1,950,000.00
	$3,960,518.12

This is a remarkable difference to the state of affairs on the 30th June 1892, though of course out of the Floating Debt of 1892, $2,920,000.00 had been borrowed in March 1894 to pay off railway subsidies and temporary loans, and added to our funded debt making the latter on that date $29,380,814.34.

But the public will see that a large amount of railway liabilities have been disposed of and a large amount of the so-called special or

extraordinary expenditure, which was supposed to be paid for out of the loan of $10,000,000.00 had been disposed of in another way, and our position well defined.

For all this, the Administration, and I dont hesitate to give it to them, is entitled to credit. However as matters went on in the fall of 1893 and the early part of 1894, it will not be surprising to any one dealing with finances that I should feel considerably alarmed at the possible deficit that might result on 30th June 1894, and it will not be even more surprising if, when I found I could not get this deficit reduced, that I should feel called upon no longer to accept the responsibility of Treasurer.

I have had to defend the Province from all manner of assertions made against it about its financial position, but I did so cheerfully and willingly, and I had succeeded, I think, with the assistance of my colleagues, in getting ourselves restored on the London market. This however, I will speak of a little later on, but give these few remarks to shew how the affairs of the Province had undergone a change.

Coming now to the matter under discussion.

The first two questions are that :

THE TRANSACTION IS NOT ONE OF ADVANTAGE TO THE PROVINCE AND THAT THE MATURING LIABILITIES OF THE PROVINCE MIGHT BE MET WITHOUT A PERMANENT LOAN.

This immediately brings up the question of the utilization of our assets and the general policy of the administration.

On this point the main question is :

Can the Province utilize the money coming from the Canadian Pacific Railway $,000,000.00 *and the* $600,000.00 *already paid in which sums are the proceeds of the sale of the Q. M. O. & O. Ry., and can we utilize the* $2,394,000.00 *now payable by the Dominion on demand and generally called The Railway Grant in favor of the Province; or are these two sums appropriated in favor of the Bondholders under the Loans of* 1874, 1876 *and* 1878 ?

I have no doubt I will be able to shew that the whole policy of our party since 1886, when I was first a member, and the policy of the present administration, has been to avoid further borrowing and that these monies might be utilized.

We have had in their speeches the views of the Attorney General and the Premier. They are both of opinion that these monies are pledged by the statutes to the bondholders of 1874, 1876 and 1878, but they both go on to say that in cases of possible dishonor or some great emergency they might be used for other purposes.

It seems to me Mr. Speaker that these amounts are pledged or they are not pledged. If they are pledged they must never be used except for the purpose of the pledge.

To admit that they are pledged but might be used in cases of emergency merely leaves it to a question of expediency to be decided by the ministry of the day, a very unfortunate position for the Province and critical for the bondholders as regards any rights they have.

I trust the House will bear with me even if I am a little lengthy in the examination of the statutes and loans and prospectuses.

In 1882, the Q. M. O. & O. Railway was sold in two sections, the western to The Canadian Pacific Railway Company for $3,600,000.00 and the eastern to the North Shore Railway Company for $4,000,000.00; a total of $7,600,000.00 of which $600,000.00 has been paid on account, $100,000.00 for the western section and $500,000.00 for the eastern. (45 Vict.-caps. 19 and 20).

The Companies could pay off the balances due, on giving six months notice, or the Government could exact the balance due (i) on the western section any time after twenty years, on giving six months notice, and (ii) on the eastern section any time after five years, on giving one year's notice.

Interest on balances remaining unpaid was to be five per cent. payable semi-annually.

In 1883, under an order in Council of 12th December 1883, an agreement was passed between the then Treasurer that the North Shore Railway Company would not give any notice to pay off the balance, $3,500,000.00, before the first day of March 1894. A similar agreement was prepared for the western section and executed by the Canadian Pacific Railway Company, but, for some reason, not signed by the Treasurer.

Both agreements were "subject to the approval and confirmation " of the Legislature of the Province of Quebec at its next session " but nothing seems to have been done in this respect.

Subsequently the C. P. R. bought out the North Shore and all came under the former company.

It must be evident to anyone, especially anyone dealing with the Finances, that the possible payment into the Treasury of this amount was a matter of serious consideration, especially as it was a 5 per cent. investment.

In 1892, shortly after taking office, and on one or two occasions during the year, the question of the payment was a matter of informal discussions between myself and the C.P.R. people.

Before I went to Europe in April, 1893, to provide for the Loan of 20,000,000 francs, I met the Directors and asked them to let me know, if they could, their intention, as my policy depended, to a certain extent, on this. After friendly interviews, and I asked them to state it in writing, which they did, they wrote me officially that no notice would be given to pay the money off before 1st March, 1894.

However, on the 19th June, 1894, the C. P. R. sent the following official notice stating they would pay over the $7,000,000.00 on 19th November 1894.

"Canadian Pacific Railway Company,
"Montreal, June 19, 1894.

"The Honorable John S. Hall,
"Provincial Treasurer,
"Of the Province of Quebec:

"SIR.—I have the honor to say that I have been directed to notify "you in pursuance of clause five of the agreement confirmed by the Act of "the Legislature of the Province of Québec, 45 Vic., cap. 19, that the "Canadian Pacific Railway Company will pay to the Government of the "province of Quebec, at the end of six months from this date, the sum of "three million five hundred thousand dollars, being the unpaid purchase "money of the western section of the Quebec, Montreal, Ottawa and Occi-"dental Railway under that agreement; and also to notify you in pur-"suance of clause 14 of the agreement confirmed by the Act of the Legis-

" lature of the Province of Quebec 45 Vic., cap. 20, that on the same day " the Canadian Pacific Railway Company will pay to the Government of " the province of Quebec the sum of three million five hundred thousand " dollars, being the amount of the unpaid purchase money of the eastern " section of the said railway under that agreement ; and I hereby notify " you accordingly.

" Will you please acknowledge receipt,

" I have the honor to be, sir,

" Your obedient servant,

" (Signed) C. DRINKWATER,

" Secretary."

Receipt of this was duly acknowledged.

In 1884 (47 Vict., cap. 8, Canada), The Dominion granted in favor of the Province, the sum of $2,394,000.00 as a subsidy on account of the Province having constructed the Q. M. O. & O. Railway, but only consented to pay to the Province the interest at 5 per cent. on this sum, and not the principal.

In 1894, at the last Parliament (57-58 Vict. cap. 5, Canada), at the instance of the province, the Dominion agreed to pay the principal of the grant " at the request of the Government of the Province of Quebec."

To return to 1882, and this opens an important question as to what had to be done with the money already paid in, viz, $600,000 and what should be done with the balance $7,000,000.

I may here, take up the Loans in connection with which the purchase price of the Railway has been dealt with by the Quebec Statutes as the Attorney General and the Premier have referred to them at length.

In 1874 (37 Vict., cap. 2), a loan of $3,893,333.34 ; in 1876 (39 Vict. cap. 4), one of $4,185,333.33, and in 1878 (41 Vict., cap. 1), one of $3,000,000 had been authorised, or a total of $11,078,666.67, all bearing 5 per cent. By each of these Statutes it was provided that a sinking fund of 1 per cent per annum should be established for the redemption of the Loans. But no enactment was made about the nature of the investment or any naming of trustees, &c.

In 1882, by means of the sinking funds and purchasing of bonds, there was outstanding $10,685,440.00.

I will now give the exact wording of the Statutes respecting these loans and the Sinking Funds and also what may have been stated in any prospectuses in connection with the loans.

37 Vict., chapter 2, section 23 for the loan of 1874 reads as follows :—

" All provincial bonds or debentures issued under the authority of " this Act, shall be made payable in thirty years from the date thereof " and shall bear interest at the rate of five per cent per annum, and in " the case of the issue thereof, it shall be the duty of the Treasurer of the " Province, to cause to be invested yearly, one per cent. on the amount " of such bonds or debentures, as a sinking fund, for the redemption of " the principal thereof at maturity."

When the prospectus for the loan was issued, there was a clause in it as follows :—

" A cumulative sinking fund of one per cent will be annually " invested in these bonds at or below par; but the Government reserve to " themselves the right to invest this sinking fund in other securities in " case the bonds of this issue cannot be purchased at par."

For the Loan of 1876 the Statute 39 Victoria chapter 4, second paragraph of section 2, reads as follows :—

" Such bonds shall be payable in thirty years, in currency or ster- " ling, and shall bear interest not exceeding five per centum per annum. " A sinking fund of one per centum per annum shall be established for " their redemption."

In the prospectus of this loan, there is a clause and a clause in the memorandum of the Treasurer accompanying it respecting the Sinking Fund. The clause in the prospectus reads as follows :—

" The Act provides that for the redemption of these debentures at " maturity, a Sinking Fund of one per centum per annum shall be " established."

The clause in the memorandum of the Treasurer, reads as follows :—

" The ultimate payment of this loan, and the preceding one, is " provided for by a cumulative sinking fund of one per cent. per an- " num."

For the loan of 1878, the Statute 41 Victoria, chapter 1, section 5, reads as follows :—

" Any issue of bonds or debentures of this Province, issued under " the authority of this Act, shall take, hold, and have the same privileges " and advantages, and the same rank and priority on the revenues or " rental of the said Quebec, Montreal, Ottawa and Occidental Railway, as " the bonds or debentures of the said Railway Commissioners would have " taken and held under the authority of the said, Act, 39 Vict. cap. 2 : " and the net revenue or rental of the said road shall be used and applied, " conformably to the terms of the said act, in the payment and discharge " of the interest and sinking fund, occurring or arising from said sub- " stituted bonds or debentures."

Section 7 of the same Act reads as follows :—

" Such bonds shall be payable in thirty years, in currency or ster- " ling, and shall bear interest at a rate not exceeding five per centum per " annum. A sinking fund of one per centum per annum shall be estab- " lished for their redemption."

I may say here that the amount of the loan under this Act was $3,000,000.00.

The prospectus of this loan, among other things, contained the following two clauses :

" A cumulative sinking fund of one per cent will be annually " invested in these bonds at or below par ; but the Government reserves " to itself the right to invest this sinking fund, in other securities in case " bonds of this issue cannot be purchased at par."

" These bonds represent a charge upon the revenues of the Prov- " ince, and, in addition, have a first lien upon the net revenues and rental " of the Quebec, Montreal, Ottawa and Occidental Railway, which are to " be applied to the payment of the sinking fund of this loan."

I will also go on discussing the prospectuses of the other Loans of the Province as they are said by the Attorney General and Premier to have a bearing on the question.

The prospectus of the Loan of 1880, authorised by 43-44 Vict., cap. 45, contains no statement about the Public Debt nor any particulars about the Finances of the Province.

I have not been able to find any memorandum in connection with this loan issued by the Treasurer.

By 45 Vict., cap. 18, and 46 Vict., cap. 11, loans of $3,500,000.00 were authorised. Of this £500,000.00 was issued in London and the balance in Canada.

For that part issued in Canada I find no prospectus.

For that part issued in London in 1883, there is a prospectus and an acccompanying memorandum of the Treasurer.

The prospectus makes no mention of the financial position of the Province, but refers to the memorandum of the Treasurer.

This memorandum after declaring what the proceeds of the loan is is to be devoted to, states;

"The funded debt of the Province, exclusive	
"of the present loan amounts to,	$14,854,226,27
(Consisting of the unredeemed bonds of the Loans of 1874, 1876, 1878 and 1880.)	
"Against which has been invested as Sin-	
"king Fund.	7,600,000.00
"Leaving a balance of	$7,254,226.27

"for the redemption of which provision has been made for an annual "Sinking Fund of one per cent.

"This debt has been created by the Expenditure on the Govern- "ment Railway (since sold and the price invested as above for the "redemption of so much of the public debt), by the payment of subsidies "to railways in course of construction, and by the cost of other public "works and buildings, all tending to develop the natural resources of "the country and to increase its population."

For the loan of 1888 there is no mention made at all of the financial position of the Province, nor was there, as far as I can find out, any memorandum of the Treasurer.

As to the public accounts of the Province commencing with those for the year ending 30th June, 1882, in the "Statement of Public Debt," there is a note that "The Sinking Funds invested for the redemption of "the Loans of 1874, 1876 and 1878 consist of the price of the Quebec "Montreal, Ottawa and Occidental Railway appropriated thereto by the "Act 45 Vict. cap. 21" and in the Public accounts for the year 30th June 1888, for the first time there is added on to the note "and of the grant by "the Dominion Government in consideration of the construction of the "Q. M. O. & O. Ry. appropriated by the Act 49-50 Vict., cap. 2."

I have referred rather fully to the prospectuses and the notice in the public accounts as they have, as I said, been referred to by the Attorney General and the Premier, and at the moment I wish to call attention to the fact that all these, with the exception of that for the loan of 1888 and the note about the Federal Grant in the Public Accounts, were in existence and known when the question of dealing with these monies from the C.P.R. and the Dominion has been discussed by our party and between myself and the Premier and my colleagues.

I will now come to the statutes passed in 1882, and 1886, respecting the price of the Q. M. O. & O. Railway, and the Dominion Grant.

In 1882, as I have stated, the Railway was sold, and I have carefully read the debates that took place at the time, as reported in "Desjardins, Debates of the Legislature 1882." Nothing was said about any rights of Bondholders directly or indirectly. At just about the close of the debate, Treasurer Wurtele said, he proposed to introduce a Bill that the price would be used in the redemption of an equivalent amount of the Public Debt.

By 45 Vict. cap. 21 Assented to on 27th May 1882, it was provided as follows:—

"1. The priceof the sale of the two sections of the Quebec, Montreal, "Ottawa and Occidental Railway shall he appropriated to the payment "of the consolidated debt of the Province.

"2. This price shall be paid into the funds created for the re- "demption of the loans effected under the provisions of the Acts 37 Vict. "cap. 2, 39 Vict. cap. 4, and 41 Vict. cap. 1."

Sections 3, 4 and 5 divide or distribute the amount to the sinking funds of the three loans, as far as they will go, taking the loan of 1878 first, presumably because the net revenue and rentals of the road were affected for this.

Section 6 reads as follows:—

"The Provincial Treasurer, shall from time to time, in conformity "with the instructions that may be given him by the Lieutenant Gover- "nor in Council, invest all sums that shall be paid on account of the "price of sale; and such investments shall belong to that sinking fund "of which the monies they represent form part."

Section 7 confirms section 6 as to the interest in the hands of the purchasers, and section 8 reads as follows:—

"The Provincial Treasurer is prohibited from employing, even "temporarily, the money arising from the price of the sale of the Quebec, "Montreal, Ottawa and Occidental Railway, and the interest to be derived "therefrom for any other purpose than that above enacted."

In June, 1886, by 49–50 Vict. cap. 2, this Legislature passed a Statute similar to the one in 1882, and appropriated the $2,394,000.00 granted by the federal to the sinking fund for the loan of 1874. The clauses of this Statute are precisely the same as those of the Statute of 1882, and it will not be necessary to quote them over again.

The question of the true intent and meaning of these Statutes has been the subject of discussion between the Premier and myself on many occasions.

There are four principles laid down in the Statute as to the price of the sale of the road.

1. It is to be used in the redemption of the Public Debt.

2. The amount is to be used to guarantee the sinking funds of the loans 1874, 1876 and 1878.

3. The Treasurer, under authority of an Order in Council, must invest the proceeds, for these sinking funds and for the interest on the Loans.

4. The price must not be used for any other purpose.

The Premier has contended that this Statute of 1882, passed long after the Loans of 1874, 1876 and 1878 had been contracted, could not operate as any contract with the bondholders, and further that it was and is purely a domestic statute, or order, and direction, from the Legislature for the time being, as to the disposal of, and investment of the funds, and might be changed from time to time by the Legislature.

In his letter answering my resignation, he suggests the question of the honor of the Province being involved if the Funds are used, and takes the same ground in his speech and in his correspondence; but he goes on to admit, in effect, that if the Province could only borrow on humiliating terms or not advantageously, then, to save the credit of the Province, he would use the Funds in paying our debts. This then would leave, in my opinion, the funds in a dangerous position. It would really leave it in the hands of the Government of the day to decide and be no security at all. In other words, a Government might have acted so badly and recklessly that they could not borrow any more,

yet if these funds were within their reach, they might contract debts and pay them out of these funds.

The question, however, is not new and the party has pronounced upon it.

In 1887, when Hon. Mr. Shehyn was submitting his project for a Loan of $3,500,000.00, to pay off alleged floating debt, railway subsidies and other liabilities, the then opposition, led by the present Premier, and of which I was member, combatted the loan, and several on our side of the House spoke. We contended that the Loan was not necessary, certainly for such an amount, and that there were assets or resources that might be used before borrowing; and in this connection it was contended that instead of borrowing, Mr. Shehyn should use the $600,000.00 already received on account of the price of the Railway, and which was deposited as to great part of it in banks, and the balance invested in Quebec Court House and other Bonds, $469,000.00 bearing 5 per cent and the balance 4 per cent. interest.

At page 1105 of Desjardin's Debates of the Legistature for 1887, I find that Mr, Desjardins, then member for Montmorency, after quoting a portion of Mr. Shehyn's speech referring to this sum of money, and in which Mr. Shehyn suggested that it would be more advantageous to employ these moneys for the purchase of bonds, said, "There is there a sum of $600,000 that we can easily use for the payment "of the obligations of the Province." "It only requires to amend the "law to authorize this use. The probability is that before long, perhaps, "we will not be able to obtain more than 3 per cent, or 3½ per cent, in- "terest on the deposit of this sum. The best financial policy would be, "then, to utilise it for the payment of railway subsidies better than to "borrow anew. The purchase of our 5 per cent. obligations is not "practical because we could not do so excepting by paying 12 or 13 per "cent. premium."

He concluded his speech by presenting a motion, seconded by Mr. Taillon, that the House should not authorise the making of the Loan, and one of the considerants for the resolution was as follows:—

"Whereas the sum of $600,000 received on account of the price of "the sale of the Quebec, Montreal, Ottawa and Occidental Railway, "$205,000.00 of which is on deposit in various banks at a rate of interest "of four per cent."

"And whereas it is uncertain that the Government can continue "to receive 5 per cent. upon the sum of $113,500.00 deposited in other "banks, it would be in the public interest to amend 45 Victoria, chap. 1. "in such a manner as to authorise the use of the $600,000.00 received on "account of the price of the North Shore Railway for the payment of "the railway subsidies which will become due."

Supporting Mr. Desjardins, the following voted for his motion :—

Baldwin	Cormier	Hall	McIntosh
Beauchamp	Desjardins	Johnson	Nantel
Blanchet	Dorais	Lapointe	Owens
Caron	Duplessis	LeBlanc	Picard
Casgrain	F. St. Maurice	Lynch	Poupore
Charlebois	Flynn	Martin	Spencer

Taillon

At page 1143 is to be found the commencement of the discussion on the third reading of the same Bill for the Loan of $3,500,000.00.

At page 1144, of the same Debates, Mr. Taillon, says :—

"The Hon. member for Montmorency has expressed the views of "the Conservative party on the question of this Loan. Nevertheless, I "wish to declare before the House the opinions that I have expressed in "the course of private conversation."

After stating that there was no necessity for a loan, and further calling the attention of the House to the fact that the Loan would bind the Province for thirty or forty years, he urged delay in order that the Government might more fully study the situation and have an opportunity to consider the available assets.

And at page 1150, of these Debates he says :—

"I am then of opinion that we should await next session. We dont "know just at present what we have to pay, and dont know if the "Government will collect that which is due to it. Our adversaries are "crying out very much because the Province lost so much money in the "failure of the Exchange Bank. We have at the moment some of this "$600,000.00 deposited in Banks, and these deposits run the same amount "of danger as that which we had in the Exchange Bank. Why then "does not the Treasurer take this money instead of going elsewhere and "borrowing? These $600,000.00 are destined to the payment of the Con-"solidated Debt. What difference is there between paying the conso-

"lidated debt or the floating debt? I do not see why the Government "should not use this money.

"The Federal Government pays us a certain amount of interest on "the capital of two millions. This will be a good opportunity for us to "learn whether the Federal Government will consent to pay us this "amount."

HON. MR. MERCIER—"Is the Federal Government disposed to pay it?"

HON. MR. TAILLON—"We have always pretended that the Federal Go-"vernment would be ready to pay us this amount because it could "borrow an equal amount at a less rate of interest than they pay us, and "this would be an economy for the Federal."

HON. MR. MERCIER—"Why did you not demand this when you were in "power?"

HON. MR. TAILLON—"At that time we were not speaking about borrow-"ing, and if we had been in power this year we would have made this "demand upon the Federal Government, if we had thought it was neces-"sary to borrow. We are now studying the question of the necessity of "a loan and above all its urgency, and it is in considering this double "question that I say to the Government: there are such and such means, "take them and we will avoid increasing the debt of the Province."

When the third reading of the Bill came up, Hon. Mr. Taillon, at page 1179 of the same Debates of 1887, spoke as follows:—

"The Hon. Member for Gaspé has made a very interesting dis-"cussion of the legal side of our floating debt. It is clear that the "Government can, between now and the next session, avail itself of "temporary loans to meet the expenses that may come up. We say to "the Government: you have $600,000 which is lying in banks; it is the "proceeds of the sale of the Railway, take it, and as it will be necessary "for you to have a law authorizing this use, we are ready to grant this "to you. You have also the amount which has been granted by the "Federal Government. I understand that legislation will also be ne-"cessary to put this sum at your disposition. We promise you our sup-"port to obtain a law at Ottawa to this effect, and, in so far as it depends "upon this Legislature, we are ready to vote it to you now, immediately, "on condition that you abandon your project for a loan.

"As regards the $600,000, coming from the sale of the Railway, the "law adopted in 1882 had according to the intent of the Legislatur.,

" probably the object of preventing this sum being taken to pay current " expenses. If we were discussing extinguishing a debt, that we could " pay otherwise, I would say dont touch this money but here the question " is to pay a floating debt of which a portion would be transformed into " consolidated debt at a date more or less distant.

" In the Budget Speech, the Honorable Treasurer said that it would " be better to apply this money in purchasing our debentures, rather than " to allow it exposed in banks. We say in order to complete the idea of " the Treasurer, pass a law to apply this sum to the payment of the float- " ing debt. From the Treasurer's reasoning he could, the day after the " loan had been effected, take the sum of $600,000 to buy in these same " debentures."

Then on the third reading of the Bill, after these remarks of Mr. Taillon, the following voted against the Bill:

Baldwin	Cormier	Johnson	Owens
Beauchamp	Desjardins	Lapointe	Poupore
Blanchet	Dorais	LeBlanc	Robertson
Caron	Duplessis	Lynch	Spencer
Casgrain	F S Maurice	Martin	Taillon
Charlebois	Flynn	McIntosh	Villeneuve

I may say also that when I was in Europe in 1893, I found I would have difficulty in renewing the loan of $4,000,000 falling due on 15th July 1893, excepting at very high rate of interest. I kept my colleagues daily informed about affairs. On 9th June I cabled to Mr. Taillon to see about what assistance could be had from Ottawa, in connection with some of our Assetts there. He cabled me in effect that I could rely on $2,300 000 odd from Ottawa for 1st July. I then arranged for balance of the 4,000,000 in London. On further examining the cable from Hon Taillon I saw it was proposed to use the Federal Grant of $2,394,000.00, that we are now discussing, in paying off the Paris people. I raised objections that it might injure us on account of the Legislation respecting the Bond-holders, and also that I would not and could not act, against the direct order of the Legislature, because of clause 8 prohibiting the Treasurer from using it, and cabled them out to the Premier. He answered me back. It was in cypher but, translated, it is as follows:—

— CABLEGRAM. —

From Montreal, to London, 17th June 189s.

Hon. Mr. Taillon to Hon. Mr. Hall.

"We think legislation concerning that subsidy confer no right "to third party, it is arrangement which Province has made for "itself and which Legislature can change when necessary, do you "not think so, do not think Federal will do any thing else, bank "very reticent, circumstance justify use subsidy now Legislature "will ratify."

I may say at first I did not concur with Mr. Taillon, but subsequently consented, that we might in my negotiations of 1893, use it if we could, but only on condition that another sum of $2,549,213.61 in the hands of the Dominion under the Act of 1884, known as the Better Terms Act, be transferred by Order in Council to the Sinking Funds of the Loans of 1874, 1876 and 1878 that the $2,394,000 would be taken from. After this however on the 26th June, Mr. Taillon cabled me I could not get the assistance from the Federal, and therefore my negotiations fell through, as I had then no time to try elsewhere as, under the contract, I should be ready for the Paris people on 1st July. This was the reason of my failure in London.

Coming down, to a very recent date in July last, in now looking at the correspondence that the Honorable Premier has had with the Credit Lyonnais and Banque de Paris, and looking at the letter of 23rd July, 1894, it is quite evident that he intended to utilize this money if he saw fit, and in so writing to the Credit Lyonnais and Banque de Paris, he clearly indicated that the money was available, and made no pretention to them that these monies were in any way effected for the payment of any sum, or for the Sinking Funds of any loan.

Let me give a quotation from the Premier's letter of 23rd July 1894. After asking them to make an offer, he says :

"However, as all this correspondence causes considerable delay, and "as we must on our side consider how to employ the seven millions that "the Canadian Pacific owe us and which they will pay us on the 19th "Dec. next, according to the notice which they have just given us, as well "as the $2,394,000 that the Federal Government owe us, the payment of "which has just been authorised by an Act of Parliament of Canada, I "would ask you to let me know your decision, as soon as you possibly can "do it without inconvenience, after receipt of this letter. For we have de-

" cided, if we cannot come to an agreement with you, to take àdvantage " of the clause 1 of our contract (it is understood that in corresponding with " the Banque de Paris et de Pays Bas and with the Credit Lyonnais I " correspond with you) of July last, which permits the Government of " the Province to call in these Bonds at par with interest, at any time " after the 15th July, 1894, on giving three months notice to the Banque " de Paris and Credit Lyonnais. We wish to give you this notice as " from the 15th August next. This will obviate the necessity of execut- " ing clauses three and four of the contract because I am in a position to " assure you that before the 15th January, 1895, we will give you the " indisputable justification of our ability to pay our $42,554 of obligations " on the 15th July the date of their maturity."

I think I have quoted enough to show the position that some were willing to go in respect to the use of these funds, and what was the opinion as regards the Statutes of 1882 and 1886.

I listened with interest to the speech of the Attorney General, and what he says is this :

The money from the C.P.R. is a pledge for the payment of these bonds of 1874, 1876 and 1878, and to use it for any other purpose would be dishonor.

Then he goes on to say, however, that if the Province had to borrow on humiliating terms, or were (and I use his own words) " taken by the throat " the money could be used for other purposes

In addition, he justifies his votes above quoted, and admits the $600,000 should have been then used, because (i) he did not think the Province should borrow, and (ii) he had no confidence but that the then Administration would use the money any way.

I cannot agree with him, and I am of opinion that if that money is pledged, it cannot be used for any other purposes and cannot be left open to the ministry of the day to consider what may be an emergency. The Premier now practically takes the same view. I have given quotations enough to shew under what circumstances he would use the money. They would really have the question in the discretion of the ministry of the day.

The Attorney General ask the Members of the House who are lawyers, to give their opinion. Mine is as follows :

1st. Under the Loans of 1874, 1876 and 1878, the Province promised the bondholders to set aside and invest one per cent. per annum as a sinking fund.

2nd. For the loan of 1878, amounting to $3,000,000.00 in addition to the general lien of the Province, the rental and revenue of the Q. M. O. & O. Railway was charged to the payment of the interest and sinking fund of this loan.

3rd In the prospectuses of the loans of 1874 and 1878, the Province specially declared that it would invest the Sinking Funds for these loans in Bonds of its own of this issue at or below par: but, in any event, reserved its right to invest in other Bonds or securities.

4th. The Acts of 1882 and 1886, in so far as it might affect the Bondholders, guarantee that these Sinking Funds will be provided for.

5th. The moment the Province keeps faith and agreement in this respect, as to the Sinking Funds and assures them even by other means, there is no question of dishonor.

On careful reflection and giving the matter full study, after many consultations with the Premier, I was not disposed to repeal the Statutes of 1882 and 1886. I did not feel disposed to go to the extent of holding these Statutes were purely domestic, I did not want to have it open to the slightest criticism or charge, that the Province was doing anything affecting any rights of bondholders, if any they had.

In addition and perhaps, I should not say it, I did not want to have $7,000,000.00 or $2,394,000.00 within call, or paid into the Treasury without some safeguards. I feared if this were done we might find our money in a few years all gone. I thought the best way to deal with the question was by further legislation.

On my return in August 1893, I, as above stated, discussed the whole financial position several times with the Premier with the object of reducing our public debt, of arriving at the conversion of our 5 per cent. bonds, and of dealing with the C.P R. money, and also that from the Dominion. I still objected to repeal the Statutes of 1882 and 1886, but I prepared, after full discussion, the Act passed last session, called the "Public Debt Act" and I am quite willing that this should receive the closest criticism.

In examining the Act, all I wish is that anyone should say. How he would deal with the C.P.R. and Dominion money. How he would protect any rights of the bondholders and how the money, when paid in, should be utilized or invested.

The investment returns the Province 5 per cent. From the C.P.R. we receive $350,000 per annum, and from the Dominion $129,700. The principal of the Dominion sum is only payable on the demand of the Province and so remains without much difficulty. But if the C.P.R. pay in $7,000,000, how is it to be invested? We would at once lose $350,000 per annum. How can we invest the $7,000,000 so as to give the Province compensation? I dont suppose anyone would pretend it should be deposited in Banks. How also would we invest it so as to be satisfactory to any rights of the bondholders, and carry out our obligations about investing the Sinking Funds.

Coming now to the public Debt Act, 57 Vict., cap. 2, it will be seen in section 1, provision is made for the appointment of trustees, which was wanting in the prior statutes to carry out the formation and completion of the sinking Funds for the loans of 1874, 1876 and 1878, and recites the Funds, viz., the price of the sale of the Railway money, and the Dominion money that may be dealt with.

The total of these monies amount to the sum of $9,994,000.00 and the amount of the Loans of 1874, 1876 and 1878 form the sum of $10,685,-440.00. The sinking fund of 1 per cent. per annum on this latter amounts to $106,854.40.

Section two of the "Public Debt Act" of last session reads as follows:

"Should the said sums so to be received, (meaning the money "from the C.P.R. or the Dominion or either of them) and the amount already "received on account of the sale of the said railway, or on account of the "said grant, be more than sufficient to provide for the Sinking Funds, "up to the time of such payment to the said trustees or agents, the "Lieutenant Governor in Council may, on such conditions as he may "deem best, appropriate or authorise the use of the balance of such "monies for the redemption, or conversion of the Public Debt generally, "provided satisfactory dispositions are made by the Lieutenant Governor "in Council, for the payment into the Sinking Funds, or to the said "trustees or agents, in each year thereafter, of a sufficient amount to "meet the requirements of the said funds."

This section then requires that the amount necessary to complete the sinking funds on a given date, when the moneys from the C.P.R. and the Dominion are received, shall be made up and paid over to Trustees, and the balance used to redeem or convert the Public Debt, provided, for the future, satisfactory arrangements are made with the Trustees that the annual amount required for the Sinking Funds shall be annually paid over to them ; all taking place with the concurrence of the bondholders.

Taking the C.P.R money, if paid, there would require to be paid to the Trustees for the Sinking Funds to complete them up to date $3,000,000.00 and enough would be left free, to pay off the Paris loan, or to be invested, if the Province satisfied the Trustees that $106,854.00 would be paid in to them thereafter annually. There are of course many ways by which this could be easily assured.

This being done, the bondholders could have no cause of complaint. The agreement with them under the Statutes of 1874, 1876 and 1878 would have been complied with, and Trustees satisfied as to the future, and in addition to that, of these Funds, the balance not immediately required would have no chance of being dissipated, but, on the contrary, would be well invested by redeeming the Public Debt, in this case, the Paris Loan, and by so much, adding to the security of the bondholders.

The Premier now states that under this section the whole $10,000,000.00 would be required, but this is not correct. If it were so then this Public Debt Act and this section 2, would be a sham. There would have been no necessity to have passed the act.

The Premier contends the Act was passed to get rid of two objections in the acts of 1882 and 1886, the first, to permit the money to be used if necessary, instead of applying it to the Sinking Funds, and the second, to get over the prohibition against the Treasurer using these Funds contained in these acts.

I cannot admit or consent to any such interpretation and must say on my part there never was any such object. The object was still to keep the funds tied up by legislation and only to use them under the terms of that legislation Otherwise that legislation is dangerous.

Finally, on this question I may say my views and opinion are embodied in this Public Debt Act of 1894. It is an act in the interest of the Bondholders and protects any rights they have. The act in dealing

with these monies depends upon no emergency or discretion of the Government. The Legistature stil states, and declares how the monies should be dealt with

I need not give the other sections of the Act, but my plan under that Act was to carry out one scheme for the conversion of the Debt, and its reduction, and among other ways by paying off the Paris Loan.

The Province has at the present time 5 per cent. outstanding debentures amounting to $14,185,263.33. If these could be converted into securities, bearing not more than 4 per cent., it will be easily seen the annual interest saving would be great, and on a 4 per cent. basis the reduction in favor of the Province would in round figures be $142,000.00 less the cost of conversion, annually.

My proposition, without giving any more detail than necessary, was to confer with our bondholders; inform them we had $10,000,000.00 in hand, ($7,600,000.00 proceeds of the Railway, and $2,394,000.00 from the Federal), offer then a new security, say for twenty or thirty years at a reduced rate of interest, on surrender of their bonds, calculate the value of their 5 per cent. security and the new security and pay any difference in cash.

By this means I have no doubt the $15,000,000 of 5 per cent. debt could be converted and a large portion, if not all, of the C.P.R money and the Dominion money left with us. The C.P.R. $7,000,000 we could use in paying off (i) the Paris loan of $4,000,000 odd, and the balance of $3,000,000 in paying our present and outstanding railway subsidies and floating debt, and the Dominion money, or any part not used, we could leave where it is as a 5 per cent investment.

In this way the Province would make but one financial operation, we would not only not borrow anew, but would reduce our Public Debt, by $7,000,000, but now in what way will we get an opportunity again to reduce $4,000,000 odd of our Public Debt, if the Paris loan is re-contracted for a period of sixty years ?

I have given the whole question full consideration and have conferred with several financial people and I am quite satisfied the scheme was feasible and possible. In any way it was a project that should have been tried if we intend to convert the debt.

If not, what can be done to utilize the payment of these monies, and to invest them, and how, otherwise, can a favorable conversion of the debt take place ?

Further as to investing the money, the prospectuses of the Loans of 1874 and 1878 state the Sinking Funds will be invested in our own Bonds of these issues at or below par; and the Government reserved its rights or invest in other securities. Could there be any objection in investing in our other Bonds? Can the Province offer or suggest a better investment than its own Bonds, or offer any better security? It is nothing unusual for Provinces or Corporations to invest Sinking Funds in their own Bonds Illustrations are numerous, but take the city of Montreal. It has to invest yearly a Sinking Fund for the School Commissioners Bonds and it has today invested over a million dollars in its own Bonds. Why could not the C.P.R. money have been invested in these very Bonds held by the Paris people that we are going to pay off? It is a four per cent. investment for over 4,000,000.00 and at once puts this amount beyond being touched.

It is now said, and of course since my resignation, that the C.P.R. have withdrawn the notice to pay. This of course has only been done with the consent of the Government.

The resolution of the C.P.R. dated the 26 Septembre, 1894, states among other matters:

"Whereas it has been mutually agreed between the Government and "the Canadian Pacific Railway Company, that the said notice shall be "withdrawn and cancelled, and the parties shall thus be restored to the "positions which they would respectively have occupied had the said "notice not been served."

And the order in Council dated the 28th September, 1894, accepts this notice sent under this resolution and states: "the Government of the "Province of Quebec consents to the withdrawal by the said Canadian "Pacific Railway of the above mentioned notice."

It is open also for the C.P.R. to renew the notice at any time and pay the money, and the position of the Province will be worse, or arrange to keep the money until 1904 when the first Loan matures, at a lower rate of interest.

At once the Province suffers a loss in revenue and loses the opportunity to reduce its public debt by paying off the Paris people.

In reading over the Order-in-Council appointing Mr. Barbeau as agent, the Government of course still see the difficulty about the C.P.R. money coming in, and Mr. Barbeau is to enquire and see what is to be done. The Order-in-Council reads as follows:

"Copy of the report of the Honorable Executive Council, dated "October 30, 1894, approved by the Lieut.-Governor, October 30, 1894, "(No. 562).

"On the appointment of a mandatory of the Government to nego- "tiate the loan authorized by Order in Council, No. 537 of 1894, etc.

"The Honorable Provincial Treasurer of the Province in a report "dated October 30th instant (1894) exposes;

"That it is necessary to send to Europe, a mandatory of the Govern- "ment of the Province of Quebec, to complete the negotiation of the loan, "authorized by the Order-in-Council, No. 537, of the 13th of October ins- "tant, or in case this loan is not effected, to advise as to other means of "meeting the loan negotiated in Paris in 1891, and continued in 1893.

"That moreover, seeing that the Canadian Pacific Railway has the "right of paying to the Government, by giving notice of six months, the "sum of seven million dollars still due on the price of sale of the Quebec, "Montreal, Ottawa and Occidental Railway, it is expedient to study the "whole financial situation of the Province, not only here, but also in Paris "and London, where all its loans have been negotiated since 1874, so as "to be able to judge of the most advantageous arrangements to be made "with this company and the best means of employing the said sum.

"That, owing to the approaching session, the Honorable Treasurer "cannot undertake this journey.

"That the members of the Executive Council knowing the high "position which Mr. Edmond Barbeau, of Montreal, occupies in financial "circles, and having the fullest confidence in his ability and honesty, "have authorized the Hon. Treasurer to request him to accept this impor- "tant mission, that after much hesitation, Mr. Barbeau has acceded to the "solicitations which were made to him by the Honorable Provincial "Treasurer, and has consented to render to the Province the service which "was asked of him, declaring that he would take no remuneration.

"The Honorable Treasurer proposes that Mr. Edmond Barbeau be "requested to go to Europe:—

1. "To complete the negotiation of the loan authorized by Order-in- "Council dated October 13 inst. (1894), and sign the contract to that effect, "after it has been finally approved of by the Executive Council;

2. "Or, in case the loan is not made, to negotiate in Paris or Lon- "don, according to the instructions which will be addressed to him by

"the Government, other arrangements to meet the loan contracted in "Paris in 1891 and continued in 1893.

3. "To study in Paris as well as in London, the whole financial "situation of the Province, so as to be able to judge what arrangement "would be most advantageous to make with the Canadian Pacific Rail- "way regarding the sum of seven million dollars, or the best means of "employing this sum, and that, for these purposes, Mr. Barbeau be cons- "tituted the mandatory of the Government of this province. Mr. Barbeau "will report upon the execution of his mandate as often as necessary.

"The Honorable Provincial Treasurer proposes moreover, that the "Government advance Mr. Barbeau a sum necessary to cover his travell- "ing expenses and his fees as director on the boards of the various com- "panies with which he is connected, and which he may lose by his "absence, and that that sum be taken from the amount voted for the "administration of the public debt.

"(Certified.)

"(Signed) GUSTAVE GRENIER,

"Clerk of the Executive Council."

This clearly proves my position, that until a scheme for dealing with the C.P.R. money is decided on, the Province should not make a permanent loan.

I may say that, to provide against any difficulty, and even any question about using the C.P.R. money, except concurrently with a conversion scheme, Mr. Machin, the Assistant Treasurer. when in Europe in March, April and May, had been discussing the question of raising money by a temporary loan, say for a year, in London. I followed the matter up in July and August, in the local market as well, and am certain the Province could have borrowed in a temporary way, enough to pay off the Paris people at a a rate of interest not exceeding 4 per cent. This is corroborated by some loans that have been made recently by a large corporation in this Province who have borrowed in London large amounts for 3½ nett for 6 months, with privilege of renewing for another six months without further charge.

To further shew the policy not to borrow, I may again recall that the Premier went to Ottawa last session for the Legislation to enable us to get the principal of the $2.394,000.00. This legislation could have no

other object than to carry out my scheme of conversion and reduction and no new loan. The Premier followed this up also by correspondence with the Dominion, copies of which have been laid before the House. I fear I would get tedious to do any more than refer to it and let the members read it themselves.

Concluding my remarks on this head, I think, I can safely say, I have shown; from the declarations and principles of the party, from the utterances and writings of the Premier, even as late as those to the Banque de Paris et des Pays Bas, from the general policy of the Government, from the Legislation of our Public Debt Act last session and, from the Legislation at Ottawa, it was not any part of our policy to borrow and the Loan was unnecessary.

The next question is:—

OBJECTIONS TO A 3 PER CENT. BOND AT 77 FOR 60 YEARS.

The great initial objection to selling a 60 year, 3 per cent, Bond at 77, is the enormous unwarranted increase of capital or Public Debt that is at once created without the Province getting the money. The maturing Paris loan amounts to $4,106,461.00 and in order to pay this off we have to issue at a price of 77 for 3 per cent, bonds, bonds to the amount of $5,333,066.00, or an increase of $1,226,605.00 in our Public Debt in this single transaction.

I consider it bad financing to sell Bonds at such a heavy discount, and damaging to our credit. In the event of being required to borrow I am of opinion the Province should not have sold, except four per cent. and these at not less than par. My reasons for this I will give later on. To redeem the Paris loan of $4,106,461.00, the transaction under discussion appears as follows:—

New 3 per cent. Bonds amounting to	$5,333,066.00
Annual interest at 3 per cent.	159,992.00

Now to make comparison, if the Province issued a loan at 4 per cent, at par, or at 99½ or at 99, and one at 3 at 77 the total amount of Bonds to be issued in order to realize enough to pay the debt would be as follows:—

3 per cent. Bonds at 77	$ 5,333,066.00
4 per cent. Bonds at par	4,106,461.00
4 per cent. Bonds at 99½	4,127,096.00
4 per cent. Bonds at 99	4,147,940.00

The increase in debt in the transaction of 3 per cent. at 77 is as follows:—

Over transaction	4 per cent.	at	par,	increase	$1,226,605
"	"	"	99½	"	1,205,970
	"	"	99	"	1,185,126

The total volume of interest each year, on each transaction would be as follows:—

3 per cent. at 77	$159,992.00
4 per cent. at par	164,258.00
4 per cent. at 99½	165,084.00
4 per cent. at 99	165,917.00

The annual saving in interest on the transaction of 77 for three per cent. would be:

Over the	4 per cent.	at	par	saving of	$4,266.00
"	"	"	99½	"	5,092.00
			99	"	5,925.00

It will be seen by any of these calculations that on a 3 per cent. basis the Public Debt is enormously increased and the Province does not get the money.

Comparing the 3 per cent. loan at 77:

1. With a 4 per cent at par, the annual interest saving is $4266.00, and this if regularly and punctually invested yearly and compounded for sixty years at 3 per cent interest, would only yield $695,585.00 and at 4 per cent interest $1,105,265.00 while the increase in capital is $1,226,605.

2 With a 4 per cent loan at 99½ the annual interest saving is $5092.00 and this compounded yearly regularly at 3 per cent, would yield $830,268.00, and at 4 per cent interest, $1,211,848.00 while the increase in capital is $1,205,970.00, or

3. With the most favored case of a loan of 4 per cent. at 99, the yearly saving would be $5,925.00 and this compounded for 60 years at 3 per cent. would only yield $966,091.00, and the increase of capital is $1,185,126.00; the $5,925.00 compounded at 4 per cent for 60 years would bring $1,410,094.00.

In the first place, the Province will never set aside the $5,925.00 or other sum annually, secondly it never can obtain 4 per cent, compounded semi-annually, for 60 years. Even if this rate of interest is likely to prevail it requires the investment and re-investment to be made to the hour, each six months and why should we go to all this trouble?; thirdly, it was never contemplated in Mr. Taillon's correspondence that there should be any question about a Sinking Fund, but all offers were without this being calculated. The whole question on this point is purely mythical.

In the meantime therefore we will have increased our Public Debt by $1,226,605.00 against all our policy, and against the warning of the financial public and have no fund to meet it at maturity.

It is said there is a clause in the draft contract to pay off this new loan any time after 10 years. This only means that our money would cost us so much more. On the present basis of 77, for 3 per cent, at 60 years, if we paid off in less time after 10 years, our money would cost us for following periods the amounts as below:—

At end of 10 years about 6⅛ per cent interest.

"	20	"	4⅞	"	"
"	30	"	4⅜	"	"
"	40	"	4¼	"	"
"	50	"	4⅛	"	"

It is also dangerous, as it might give a government who had not the interests of the country at heart, an opportunity to turn over the loan again at the cost of further commissions.

In one of the newspapers, *Le Moniteur du Commerce*, I saw a good illustration. A man gives a Bond for $100 and agrees to pay 4 per cent interest and he receives $99. This sum he uses to develop his property, and at the end of the term gets another $1 and adds it tothe $99 and pays back the $100. In the other case, his interest amount is a trifle less, but he gives a Bond for $100 and only gets $77 to go and develop his property. At the end of the term he finds that the lender has had the $23 to add to the $77 to pay back. It is true if he had calculated every half year the difference in the interest and invested it and re-invested it to the exact date every half year, he would have had nearly enough to make up the $23.

It is urged that borrowing at 3 per cent and at such discount helps the credit of the Province, but even this only in the case of future bor-

rowings. For Quebec, the public and the taxpayers expect the borrowing to cease.

Money is worth so much and no more, and, in proportion, as a 3 per cent security increases in value, a 4 per cent goes in the same ratio.

The experience of the past with the province and with others ought to prove useful and an object lesson.

The province issued a loan in 1880 with bonds at 4½ and received $3,772,717.23 for a loan of $4,277,853.34 : a slight examination will see that we pay over 5. 20 of interest for our money.

In 1882 two further loans were issued, by the Province one in Quebec or New York, and the other in London, but both were at 5 per cent. The Province had to come back from the 4½. These loans were at par and the money costs the Province at least 5 per cent. In all three cases the expenses and commisions are not included.

Take the City of Montreal.

In 1887 the City got authority to issue three per cent stock. They issued some stock in London at 80 or 82, and tried the plan of this system helping their credit, as they were likely to borrow more. But the stock never got up above 84 I think, and the debt of the City was enormously increased. It failed and the City returned to the Legislature, and got authority to change the rate of interest from 3 per cent. to 4 per cent. Since then the City has borrowed, and successfully, but on 4 per cent Bonds.

The City of Toronto had authority to issue Bonds at 3½, yet when they were about to contract a loan quite recently, the best offer that City could get from a financial point of view, was for bonds to bear 4 per cent interest.

The final question set up in the motion is;

IN VIEW OF A PERMANENT LOAN HAVING BEEN RESORTED TO, IT SHOULD HAVE BEEN OFFERED BY WAY OF COMPETITION OR TENDER SO AS TO OBTAIN THE BEST POSSIBLE PRICE AND ADVANTAGE FOR THE PROVINCE OF QUEBEC.

This question is so elementary, that a person should hardly be considered fit to conduct the finances of a public corporation, much less

a large Province like the Province of Quebec unless he resorted to every means, and there is no means better than by competition, to get the best possible price for bonds, or to secure the lowest rate of interest possible on any amount that might be borrowed.

At the outset let me here say I cannot, and do not admit, with the Premier and the Attorney General that the credit of the Province was too low to invite competition.

I think that after three years of administration the Government ought to be able to say they have sufficiently raised our credit to invite competition.

Now, without being too tedious, there are, generally speaking, three ways of making a loan.

It must be borne in mind also that the investing public connot be reached, excepting through the stock markets, and the banks and banking institutions.

The first method of issuing a loan is to do as the Dominion of Canada has no doubt done, namely, to fix a minimum price upon its bonds and offer them to the public by public advertisement through the aid of some banking institution. When the credit of the country, and the character of its banking institution are well known, a loan in that way is well received, and the party gets the full possible price that the public are willing to give, and has but to pay ordinary commission to its banker and the costs of printing the issue.

The second method is for a country to ask by tender or competition for offers, to buy its bonds en bloc. The bankers buying of course pay over the money, and assume all risk and responsibility about the bonds being subscribed for, and taken by the investing public. This method sometimes suffers a little modification in the borrower sharing in the benefits of the subscription, should the bonds be taken at a higher rate than the one fixed by arrangement.

Another method, and one that is sometimes adopted if the credit of the the country is not all right, is to put a definite fixed price upon its bonds and ask, not necessarily by public advertisement, but different institutions to make offers for the bond.

Now in remembering what I have just said about the position of the Province of Quebec, it will be seen that it was of the greatest advantage to get back onto the markets again and to be able to effect a loan.

The problem how to do it was taken up by me in February 1894, when it was determined that our temporary loans should be converted into a permanent issue. The publicity of it was one of the first questions discussed by my colleagues. After a good deal of reflection, we came to the conclusion that while the banking institutions and other circles had confidence in the Province of Quebec, that, perhaps among the general public, the Province was not strong enough to expect a hearty response in subscribing for some of our bonds should we adopt the first method I have just mentioned.

Then came the next question of selling our bonds en bloc by way of competition. The City of Hamilton and another large corporation, had tried this method by public tenders in London, and had not succeeded. In discussing it for the Province of Quebec, we thought this might be dangerous. Either the price offered for the bonds would be very low, and impossible to accept and our credit suffer, or we might have no offer at all.

Then came the discussion of the third method which was the one we adopted in February 1894.

In January and February, the 4 per cent Bonds of the Province of Quebec of the Loan issued in 1888 were quoted on the London market at from 96 to 98, and there were some sales of a little over 97.

Taking into consideration the cost of issuing a loan, which is about at a moderate figure 3 per cent, and taking the amounts between these two quotations, 97 would be a very fair price to put any bonds to be floated on the London market, and 94 would be a good price for the Province to receive, free and clear of all commissions and charges.

It was therefore decided that 94 should be asked for, for the bonds. It was known on the London market, and also on the Paris market that the Province were about to make a loan. Four or five institutions were separately asked to give us a price for our bonds and they were all refused as too low. Then the parties who got the bonds bid 94, and we sold them at that rate. The contract will be laid before the House and all its details seen, but this price is net and clear of all commissions, excepting the cost of printing and stamps on the bonds, and free from any interest except from the actual dates of payment of the money overto us. In many previous loans the money was only paid by instalments after the date of the Bonds. In the March 1894 loan we only paid interest from the date of the actual receipt of the money.

I consider that the price obtained was a good one for the Province of Quebec and it re-established us on the market, that we had been shut out from. It gave an activity and value to our Bonds. It also had this advantage, that we had the co-operation and assistance of our local institutions. I may say that the total amount of issue for the loan was £600-000, and in the syndicate who bought the bonds, our local banks and local institutions, and I may add, among these were some of the banks in Ontario, took one-third of the loan, and if more could have been allotted to them, more would have been taken.

Now, as watching the progress of our credit, and looking forward to what the Province might have done, I would like to give the House a few figures as to the growth of our credit as taken from the quotations of our Bonds on the London market.

Loan of 1888	4's		Loan of 1894	
Date. 1894	Quotations.	Sales.	Quotations.	Sales.
Jan. 18	96 to 98	97¾		
Jan. 25	96 to 98			
Feb. 1	96 to 98			
Apr. 12	98 to 100	98¾		
Apr. 19	98 to 100	100		
Apr. 26	99 to 101	100¼		
June 14	101 to 103		98 to 100	
June 21	102 to 104		99 to 101	
June 28	102 to 104		99 to 101	100
July 19	100 to 102	102	100 to 102	101½ ¼ ⅜
Aug. 2	100 to 102		100 to 102	101¾
Aug. 7	100 to 102	101½	100 to 102	
Aug. 9	100 to 102		100 to 102	101½
Aug. 23	102 to 104		101 to 103	
Sep. 6	102 to 104		101 to 103	102¼
Sep. 13	102 to 104		101 to 103	102¼ ½
Oct. 11	102 to 104	103	102 to 104	102

On June 14th when the issue of March 1894 was put upon the market, the bonds of 1888 were quoted at 101, to 103, and the new issue at

98 to 100. Every week saw a little improvement in these bonds, and on August, 9th, as it will be seen, the 1888 bonds were quoted at 100 to 102, and the new issue of March 1894 at 100 to 102, with actual sales at 101½, and then again on September 6th the quotations for the loan of 1888 were 102 to 104 and those of March 1894 were 101 to 103 with actual sales at 102½.

It will thus be seen that in a period of seven months there was an improvement of six points in the increase of value of our bonds and we were strengthening ourselves in the market, so much, that, to my mind, if a loan were necessary, there would be no question it could be offered to a good deal more competition than had been done in March 1894.

However, as far as I am concerned, although during the month of August last I had been asked by some parties and two or three institutions whether we were going to issue any bonds, I told them No. This of course was in accordance with my policy and what I understood to be the policy of the Government, not to borrow. One or two people did tell me that we ought to get par for our 4 per cent bonds. The Premier speaks of having sounded somebody and finding out that we could only get 97 for our 4 per cent bonds less 1 per cent commission. This I know nothing of because after I handed him the draft of letter on 20th July, I considered all correspondence ended, and not only the Paris but all other markets were closed.

It was, and is my opinion today, that we could have got par for our 4 per cent bonds if we were making a loan, and on or about the 6th September last I received a cable from London asking me if we would take 99½ net for our bonds, but of course at this time the negotiations were about finally closed with the Credit Lyonnais, and after communicating the cable to my colleagues, I sent an evasive reply. I may say also that it was quite impossible for the party who made this offer to have been in any manner aware that the Paris institutions were in communication with the Province or that they had made us any offer.

Everything has been favorable to us. From my opening remarks it will be seen that the Receipts and Payments of the Province had been got well in hand; our floating debt and Railway subsidies had been amply reduced and, what was more important, our exact position on 30th June 1894 defined.

Following this, great confidence had been placed in the Administration and I think from the terms of placing the Loan of March 1894, the

concurrence of our Local institutions and the healthy rise in value and activity in our Bonds, nothing was to be feared. Over and above all this even, we had a good money market and demand for good securities.

Take the City of Montreal. It sold on 30th July 1894, in Montreal after competition, its 4 per cent Bonds en bloc to the Bank of Montreal for 101½.

I hear the Premier state the City has a better credit than the Province. Well Sir I think this is humiliating for the Province and we should not admit it, but do everything we could to force our credit and not sell Bonds at these low rates.

Take lastly, the Dominion to shew any way the state of the market. It has just recently sold its 3 per cent Bonds through the Bank of Montreal for a little over 97. I must say a difference of 20 points over our sale at 77 is too much.

I come now to another point that has been touched on by the Att'y Genl. and the Premier as a reason for negotiating as has been done *viz* : that the Province was under some sort of obligation to these institutions, on account of their action in March 1894, and on account of ARTICLE III OF THE CONTRACT OF JULY, 1893, WITH THE LE CREDIT LYONNAIS ET LA BANQUE DE PARIS ET DES PAYS BAS.

This article reads as follows and I give article IV.

ARTICLE III.

"The Government of the Province of Quebec undertakes, before "the 31st Dec., 1894, to issue a loan to be created under the Act 54 Vic., "chap. 2. The Funds derived from that issue shall be specially devoted "to the repayment of the bonds of 1893, and cannot be otherwise em- "ployed.

"In the event of the aforesaid issue not being effected on the "31st December, 1894, the Government shall, before the 15th of Jan- "uary, 1895, deliver, one half to *Le Credit Lyonnais* and one half to "*La Banque de Paris et des Pays Bas*, bonds of a consolidated loan, "whose terms shall not exceed forty years, in sufficient quantity that these "bonds, calculated at ten per cent. below the current rates at London "and Paris,of similar funds of the Province of Quebec, shall represent "the amount of the nominal value of the forty-two thousand five hundred "and fifty-four (42,554) bonds, due on the 15th July, 1895.

" *Le Credit Lyonnais* and *La Banque de Paris et des Pays Bas* shall " agree with the Province of Quebec as to the price of sale of these bonds. " In default of agreement, the said bonds shall be realized on the 1st of " March, at the latest, by public sale on the markets of London and " Paris.

" If the proceeds of such sale amount to a sum greater than that " required to redeem the bonds maturing on the 15th of July, 1895, such " excess shall be paid over to the Province of Quebec. If, on the contrary, " the amount is insufficient, the different shall be paid by the Province of " Quebec.

" The foregoing stipulations in no wise affect the rights which the " holders of bonds, maturing on the 15th of July, 1895, may exercise at " such maturity.

ARTICLE IV.

" *Le Credit Lyonnais* and *La Banque de Paris et des Pays Bas* shall not " proceed to realize the bonds above mentioned if the Province of Quebec " gives them the proof, accepted by them, that by collecting all the " amoants due to it, or by any other means, it possesses the necessary " moneys for redeeming the bonds of the 15th July, 1895, at maturity. " *Le Credit Lyonnais* and *La Banque de Paris et des Pays Bas* shall alone " weigh such proof and shall be the sole judges thereof."

These two articles have a little history which the Government were aware of and which I may as well now give.

There is no doubt our credit was bad in 1893.

In the negotiations at that time with the Credit Lyonnais, and La Banque de Paris, et des Pays Bas they wished a clause inserted, and were insisting on it, that the Province should transfer to them a sufficient amount of our revenue or taxes to secure the payment of the Loan. This I refused under any circumstances to allow.

They withdrew this, but offered a clause, by which if the Province did not shew means by 1st July, 1894, to pay off the Loan, that we should deposit with them a sufficient amount of Bonds for them to sell at the price and time they saw fit to pay off the loan. Such a clause I also objected to and finally consented to the first paragraph of clause III, undertaking to make a loan ourselves before 31st December, 1894.

Then the contract was to be rewritten. I saw some of the Directors individually and another meeting was held, and the other paragraphs of Art. III were added. We separated to meet again for a further draft, and in the meantime I again saw some of the Directors individually, and article IV was added; these institutions insisting if it was inserted, that the last sentence permitting them to be the sole judges of the statements of our ability to pay should be added. Under these circumstances these clauses were inserted.

I may say, however, though the clauses are onerous there was nothing that obliged us to negotiate with them solely, to the exclusion of all others and to pass over competition. The Premier alludes to these Institutions threatening trouble in March, 1894, when I negotiated the loan of £600,000. They did, at that time, as the correspondence brought before the House shews, contend, not that they had a right to issue or make any loans for the Province or to have any preference in this respect, but that they were entitled to the first proceeds of all loans made by the Province until the amount of the loan contracted with them in 1893 was paid off.

A perusal of the article III will shew this ground was utterly untenable and so the Government at the time considered it, and, after consultation with my colleagues, I wrote the letter appearing in the correspondence brought down which reads as follows:

Montreal, 5th March, 1894.

A. Mazerat, Esq.,

Director General Credit Lyonnais,

Paris, France.

Sir,

Your letter of the 16th February was received, and submitted by me, to my colleagues of the Executive Council of the Province of Quebec. After a conference it was decided that I should reply in the following sense:—

The Province do not admit the pretentions of the Credit Lyonnais or La Banque de Paris et des Pays Bas. This has already been expressed to you in the cable referred to in the letter of 16th February. In no sense in the contract entered into on the 3rd July last, is it in anyway stated or can it be inferred, that the proceeds of the first loan made by the Province should go towards the repayment of the Loan mentioned in that contract. It was not even thought of by myself, and I dont see

how it could have been thought of by your institution, in as much as I and you were aware that the Province had other obligations to meet. In other respects, the contract provides that the Province has an option to pay off the loan after the 1st July 1894.

Then as regards Article III, you seem to quote only the first paragraph of that article, but if the whole of it is considered, you will see that it might be possible no loan would be issued or made to take up these bonds, but that they might be provided for in some other way.

As to the other parts of your letter, the Province will look after its own interest and act on its own responsibility.

Yours truly,

JOHN S. HALL,

Provincial Treasurer.

If anything else were necessary on this point, I migh call attention again, to the concluding part of the Premier's letter to them on 23rd July last which I have already quoted, and which after referring to the C.P.R. and Dominion money, and telling them he is going to give them notice on 15th August to pay them off, reads as follows :

"This will obviate the necessity of executing clauses 3 and 4 of "the contract because I am in a position to assure you that before the "15th January, 1895, we will give you the indisputable justification of "our ability to pay our 42,554 of obligations on the 15th July, the date "of their maturity."

This clearly shews there was no necessity or obligation to treat exclusively with these two institutions, but further it declared to them that the Province was in a position to pay them off.

CONCLUSION.

I trust I have not been too tedious, or too lengthy, but the importance of the matter is my only excuse.

I do not disguise the fact that it was with great regret I felt called upon to resign. I did not fail to consider the close personal and confidential relations, that had been formed between myself and my comrades in work, commencing in 1886. I did not fail to consider our mutual loyalty in the work of the party in opposition, the battles waged and succesful entry to power; and while we have been in power I did not fail to appreciate the consideration and devotion of my friends on this side of

the House. Had it been an act connected with some other department I would have yielded. Had it been an isolated act performed by the Premier in my illness, in some well defined part of our policy and plan I would also have yielded. But as it was in my own Department, and responsible as I must be for it, and as it was contrary to my own thought out policy and plan, and as I conceived it, the plan of the Government, and knowing the financial history of the Province as I did, and considering the transaction against the interest of the Province, and injurious to the solution of our financial position I felt it my duty to resign, and leave the future to decide on the merits of my action.

After speeches from Messrs. Fitzpatrick, Carbray, Stephens, Chicoyne, Hon. Shehyn, Savaria, Turgeon, Hon. Marchand, King, and Cooke closing, the vote was taken as follows :—

FOR THE SUB-AMENDMENT.

Allard	Chicoyne	McCleary	Petit
Baker	Descarries	Magnan	Poirier
Beaubien	Desjardins	Marion	Rioux
Beauchamp	Doyon	Martineau	Savaria
Bedard	Duplessis	Nantel	Ste-Marie
Carbray	Girard (Joseph)	Normand	Taillon
Cartier	Grenier	Panneton	Tellier
Chateauvert	Lacouture	Parizeau	Tetreau
Cholette	McDonald	Pelletier	Villeneuve

AGAINST.

Bernatchez	Girard (Alfred)	King	Pinault
Bourbonnais	Girouard	Laliberté	Stephens
Bisson	Gladu	Lussier	Tessier (Auguste)
Caron	Gosselin	Marchand	Tessier (Jules)
Cooke	Hall	Morin	Turgeon
Gillies	Kennedy	Parent	

Absent with pairs.

For	Against
Simpson	England
Greig	Spencer
Morris	Dechene
Flynn	Shehyn
Hackett	Fitzpatrick